

Cameroon Oil Transportation Company

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COTCO

The multi-billion dollar Chad/Cameroon Petroleum Development and Pipeline Project is helping to bring economic benefits and a better quality of life to some of Africa's poorest inhabitants

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Oil tanker

Landlocked within north-central Africa, Chad is among the world's poorest countries, hindered by its desert climate and the fact that it has been ravaged by various civil wars during thirty of its forty years of independence. For decades the country suffered from a lack of economic investment, leaving it with one of the continents poorest infrastructure networks and a large majority of its adult population living below the poverty line.

In more recent years however there have been several positive steps taken by a handful of regional and multinational companies to bring much needed work and development to Chad, and indeed to other surrounding countries.

Ownership of the project comes in the form of a three-company oil consortium made up of ExxonMobil, which owns a 40 percent interest, and Petronas Malaysia and Chevron, which hold 35 percent and 25 percent stakes respectively. Furthermore, the governments of Chad and Cameroon hold a combined three percent stake in the pipeline portion of the project.

As well as conducting oilfield development and production on behalf of the consortium, ExxonMobil also provides project management services to pipeline companies Tchad Oil Transportation Company (TOTCO) and Cameroon Oil Transportation Company (COTCO). Both TOTCO and COTCO are responsible for pipeline activities in their home countries.

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One such step has been the development of the Chad/Cameroon Petroleum Development and Pipeline Project. A \$3.7 billion undertaking, comprising some 300 oil wells that have been drilled in Chad’s south-western region, it is among the largest public/private development projects being carried out on the continent. The oil extracted from Chad is subsequently transported via a 640 mile underground pipeline, through neighbouring Cameroon, to an offshore export loading facility based eleven kilometres off the latter’s coast. The pipeline was completed, and first oil achieved, in July 2003, roughly one year ahead of schedule, with revenues beginning to accrue later that same year.

The Chad/Cameroon Petroleum Development and Pipeline Project is expected to generate, and in a number of cases has already generated, significant benefits for both Chad and Cameroon over its lifetime. For Chad, the consortium estimates revenues in excess of \$2 billion to be accrued from a combination of royalties, taxes and other sources over its 25 year existence. Meanwhile, Cameroon can expect to see revenues from transit fees and taxes of up to \$500 million coming into the country’s coffers. Both of these estimates have since been supported by research conducted by the World Bank.

During the project’s three-year construction phase it provided employment to more than 13,000 people from Chad and

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Caverton Helicopters Ltd (CHL) was established in Nigeria, on September 2002 as an aviation logistics support company and forms part of the Caverton Offshore Support Group. Caverton Aviation Cameroon is a subsidiary of CHL and has positioned itself in Cameroon to provide safe, quality and efficient aviation support solutions for its clients in Cameroon.

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Cameroon, a large percentage of whom were previously unskilled yet received training from the operators which in turn helped them to prepare for future job opportunities. At the same time, over \$740 million in procurement fees has gone to support local contractors tasked with various responsibilities including truck transportation, civil works, vehicle maintenance and food catering.

Since construction began more than \$3 billion has been spent on goods and services from local businesses, with almost \$2 billion spent in Chad and over \$1 billion in Cameroon. Despite construction having been completed in 2003 the project's operators have continued to prioritise the engagement of local and international supply partners to manage important activities and responsibilities across the operation.

Cameroon for its part obtains its project revenue primarily through transit fees earned from the use of the export pipeline system which intakes Chad's oil at the Mbéré River where the Chadian portion of the pipeline ends. The Cameroonian portion of the export

CAVERTON HELICOPTERS

Cameroon Oil Transport Company S.A, COTCO, contracted Caverton Helicopters Limited in March 2012, to provide one DHC-6-300 Twin Otter Airplane for the provision of passengers transfer and pipeline patrol within Cameroon and Chad. This contract is operated by CHL's subsidiary, Caverton Aviation Cameroon (CAC), which was set up for the purpose of this contract and also to fill the gap in the market for aviation service providers in Cameroon

CAC maintains a hangar facility located in Zone Aviation Legere, Ancien Aeroport, Douala which is the base of its operations. The company carries out its aircraft maintenance, flight following and passenger processing from the facility. The company is also able to provide tailor-made aviation logistics solutions to its clients in order to fulfil their requirements with safety always at the forefront of its operations.

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pipeline system then transports Chad's oil to the Marine Terminal located offshore from the seaside town of Kribi. Although Cameroon has no ownership share of Chad's oil, it does have an ownership share in the pipeline system.

As highlighted by this particular project, and indeed numerous others throughout the world, ExxonMobil and all of the companies that it works alongside share a commitment to investing in the countries in which it operates. In Chad and Cameroon, ExxonMobil have spearheaded and supported a variety of initiatives, one of which is the Economic Empowerment of Women Entrepreneurs. This program provided microcredit funding and training for more than 80 traditional women's cooperatives in the oilfield area, thus increasing the incomes of 1,600 women in the cooperatives by an average of 75 percent.

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Major malaria prevention and treatment programs remain in place in Chad and Cameroon, with millions in funding from the ExxonMobil Foundation. During the construction phase of the project alone, the Roll Back Malaria program distributed nearly 75,000 anti-mosquito bed nets in partnership with the World Health Organization and the health ministries of Chad and Cameroon.

Meanwhile, project funding, along with contractor donations and community compensation micro development projects,

has enabled the construction of 130 community schools, as well as 95 water wells to provide safe drinking water in villages. **BE**

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